

## Message Text

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ACTION XMB-04

INFO OCT-01 AF-06 EUR-12 ISO-00 EB-07 COME-00 TRSE-00

CIAE-00 INR-07 NSAE-00 /037 W  
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R 131105Z AUG 75

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 4631

AMEMBASSY OTTAWA

C O N F I D E N T I A L ABIDJAN 6823

DEPARTMENT PASS EXIM

EO 11652: GDS

TAGS: EFIN, IV, MAJOR PROJECTS

SUB: EXIM POSSIBLE FINANCING FOR SECOND IVORIAN SUGAR REFINERY

1. LOCAL GE REP IN COVERSATIONS WITH COMM ATT INFORMED EMBASSY THAT DECISIONS ON EQUIPMENT PURCHASE OF SECOND SUGAR REFINERY HAD BEEN DELAYED DUE TO NEW EDC (EXPORT DEVELOPMENT CORPORATION) (CANADIAN EXIM) OFFER FOR TOTAL FINANCING OF PACKAGE--INCLUDING MILL AND AGRICULTURAL EQUIPMENT AND AGRICULTURAL INFRASTRUCTURE. ORIGINAL PROPOSAL FORESAW MILL AND REFINERY EQUIPMENT AS MOSTLY US-SOURCED. US COST IS LOWER AND DELIVERY TIME FASTER. ASSUMING IMPLEMENTATION OF ORIGINAL PROPOSAL WITH TATE AND LYLE (RED PATH) AS CONSULTANTS FOR PORJECTS, PROJECTED FORST CRUSH COULD BE MADE ON 1977 CROP. IN ORDER TO MEET THE DEADLINE, DECISION ON EQUIPMENT MUST BE MADE NOW.

2. GE REP SAYS FINANCING PLANS WERE ORIGINALLY BASED ON EXIM-PROVIDED FINANCING FOR US-SOURCED GOODS AND EDC FINANCING FOR ONLY AGRICULTURAL EQUIPMENT. EMBASSY WOULD LIKE TO KNOW IF EXIM HAS ISSUED PRELIMINARY COMMITMENT FOR EQUIPMENT ON THIS PROJECT TO GOIC, SODESUCRE, TATE & LYLE, OR GE. IF SO, PLEASE ALSO RELAY TERMS OF FINANCING PACKAGE. GE WOULD BE PRIME SOURCE OF EQUIPMENT IF US-SOURCED EQUIPMENT IS CHOSEN.

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3. GE REP FURTHER STATES THAT NEW CANADIAN FINANCING PACKAGE MUST APPEAR MORE ATTRACTIVE BECAUSE PRICES OF CANADIAN EQUIPMENT ARE HIGHER AND DELIVERY TIMES LONGER. ALSO, A SHIFT TO CANADIAN EQUIPMENT WOULD REQUIRE MODIFICATIONS IN FINAL ENGINEERING AND DESIGN. THIS SHIFT PLUS LONGER DELIVERY TIMES ON CANADIAN GOODS WILL MEAN COMPLETE LOSS OF 1977 CROP FOR SODESUCRE.

4. EMBASSY BELIEVES EDC IS PREPARED TO OFFER EXCELLENT TERMS SUCH AS 4.5 PERCENT AT 15-20 YEARS ON 90 PERCENT OF CANADIAN-SOURCED PURCHASES. FOR OTTAWA: PLEASE INFORM ABIDJAN OF CURRENT LENDING TERMS OF EDC; RECENT ACTIVITIES IN SCANDOPHONIE WEST AFRICA; AND ANY INFO EMBASSY MAY HAVE OR COULD OBTAIN DISCREETLY ON SPECIFIC FINANCING PACKAGE FOR RED PATH PROJECT IN IVORY COAST.

5. REQUEST EXIM INFORM EMBASSY ASAP OF ANY NEGOTIATIONS FOR FINANCING OF SECOND SUGAR PROJECT IN IVORY COAST AND IF EXIM HAS ANY INTEREST IN FINANCING FOURTH SUGAR PROJECT SLATED TO BE STARTED NEXT YEAR. ENGINEERING DESIGN FOR FOURTH PROJECT REPORTEDLY WILL BE AWARDED TO HAWAIIAN AGRONOMICS.  
SMITH

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NNN

## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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